

DIRECTORATE OF INTELLIGENCE

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# Central Intelligence Bulletin

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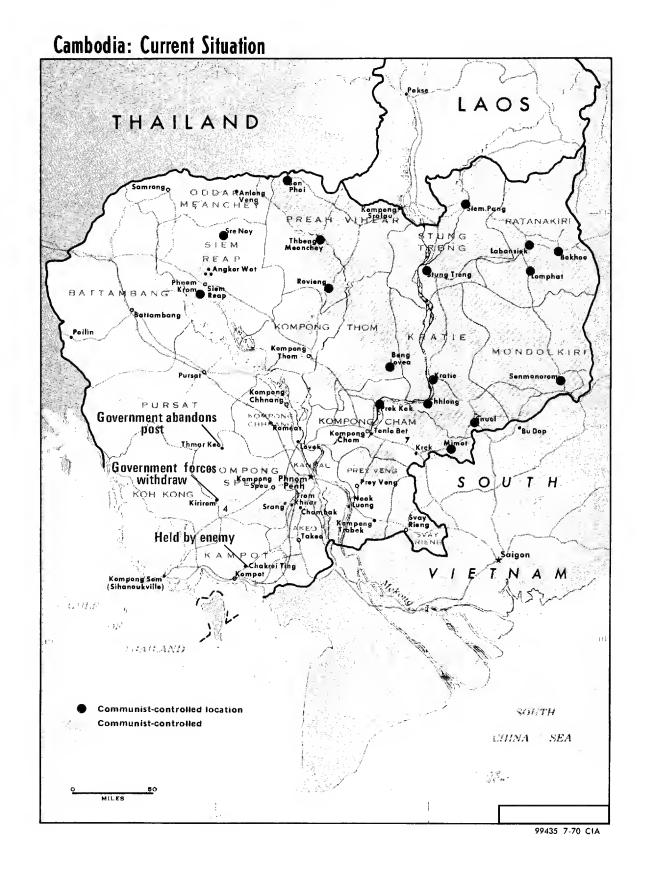
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Cambodia: Government forces have been driven out of Kirirom.

Press accounts claim that reinforced enemy troops, supported by mortar fire, cracked Cambodian Army defenses yesterday in the center of the resort town.

Treported that four government battalions subsequently withdrew and headed south toward Route 4. The retreat probably is only temporary, however, and new government efforts to retake the town are likely to be launched soon. South Vietnamese and Cambodian helicopters evacuated some casualties before the withdrawal. Bad weather is preventing an aerial reconnaissance of the Kirirom area.

In Kompong Speu Province, the government has also pulled out of its command post at Thmar Keo, northwest of Kompong Speu city. Most of the villagers living in the sparsely populated area around the post reportedly are Communists or sympathizers. The Cambodian Army battalion previously assigned at Thmar Keo is now en route to Kompong Speu city.

Communist forces apparently still hold the cement factory at Chakrei Ting, in the southern coastal province of Kampot. Press reports indicated that the government unit that had been defending the plant withdrew southward toward Kampot city on 27 July, after being overwhelmed by a large enemy force. Meanwhile, South Vietnamese units moving along Route 7, 20 miles southeast of Kompong Cham city, claim to have killed 19 of the enemy.

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Laos: The delegation from Communist leader Souphanouvong is expected to arrive in Vientiane on 31 July, but there are signs that it will not bring with it any fundamental change in the established Pathet Lao position on negotiations.	
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the Communist team will be led by Souk Vongsak. As a minister in the Vientiane coalition government until 1964 and as a relative of King Savang, Souk is the highest ranking emissary yet dispatched by Souphanouvong.	
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Despite these indications that the Communists might be preparing some substantial new initiative toward a settlement, Pathet Lao spokesmen in a number of capitals have been taking a rather negative position during the past week in referring to the prospects for talks. On 23 July the Laotian Communist delegate in Hanoi characterized Souk's trip to see Souvanna as only a "good will gesture" and dismissed the idea that there has been any change in the Pathet Lao negotiating position.	
Soviet press accounts of interviews with Pathet Lao officials in Paris and Vientiane have reiterated the usual line that a halt in all US bombing in Laos is a "necessary first step" toward a settlement.	
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These suggestions of inflexibility in the Communist attitude may be only an effort to stake out a position from which the bargaining can begin. On the other hand, Hanoi may have no intention of entering into genuine negotiations at this time, and may only be seeking to stage extended discussions that will serve to restrict Vientiane's freedom of action.

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Communist China - North Korea: The warming trend in relations continues, but some differences remain between the two states.

Chinese observance of the 17th anniversary of the Korean War armistice on Monday focused less on bilateral matters than on broader topics that are of more immediate concern to Peking. The Chinese used the occasion to criticize at length US "peace frauds" in Indochina and to condemn the US for flouting the Geneva agreements. Peking also continued to emphasize the need for an Asian-wide "union" against the US, Japan, and indirectly the USSR.

The North Koreans, on the other hand, tended to stress matters closer to home. The head of a high-ranking military delegation visiting Peking again compared the present situation on the Korean peninsula to that existing on the eve of the Korean War. In marked contrast, the less bellicose tenor of Chinese official statements appeared designed to play down the possibility of an imminent crisis in Korea and stuck to the standard, vague pledges of support for North Korea if the US "reimposes" war.

Peking's restraint is almost certainly a reflection of its desire to avoid a confrontation with the US over Korea. Pyongyang's failure to join in criticism of the Soviets, meanwhile, is a clear indication that North Korea intends to maintain an independent position in the Sino-Soviet dispute. Pyongyang, in fact, probably hopes to exploit the situation to extract what it can from both Moscow and Peking. Since early 1969 there have been no major military deliveries from the USSR to North Korea, and the military delegation now in Peking is probably looking to the Chinese to provide some of the hardware Pyongyang has not been receiving from the Soviets.

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The Chinese may be prepared to furnish limited military aid to cement North Korea's support for Peking's Asian "united front" scheme, and as a bargaining lever to try to move Pyongyang toward Peking's position on Sino-Soviet issues. The Chinese will probably be reluctant, however, to fill completely any Korean shopping list, in part because of their own mounting domestic defense needs.

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Arab States: Egypt has reacted strongly to criticism by radical Arab governments and Palestinian guerrillas of Nasir's acceptance of the US peace proposals.

A Cairo newspaper yesterday denounced unnamed Arab critics of the Egyptian leader as "destructive," heartless, and rancorous voices. Cairo police yesterday closed the offices of both the Voice of Palestine and the Voice of Fatah. A government spokesman indicated the closure is only temporary, but he gave no idea of when the fedayeen would be allowed to resume broadcasting. Although these facilities are used primarily for broadcasting anti-Israeli propaganda

they have on occasion been used for attacking Arab regimes considered to be anti-fedayeen.

Cairo's ire may have been raised by a fedayeen demonstration in Amman Monday in which Nasir was called a coward. Late yesterday, more anti-Egyptian demonstrations took place in Jordan.

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Lebanon: Ex-president Fuad Shihab is still the front runner in the coming presidential election.

Within the next month, and probably during the next two weeks, Lebanon's Chamber of Deputies will elect a new president by secret ballot. Of the dozen or so potential candidates, three appear to be the most serious contenders: former presidents Shihab and Chamoun and Phalange Party leader Pierre Jumayyil. Shihab is the favorite candidate of the Parliamentary Democratic Front, which presently has a majority of the members of the chamber. The major opposition group has indicated it will support Jumayyil.

The basic issue in the election centers on Lebanese policy toward other Arab countries. Shihab's supporters are pro-Nasirists and have sought closer Arab ties. The opposition leaders could be characterized as Lebanon-firsters who see Lebanon as having interests distinct from other Arab countries.

A major influence in the election will be confessionalism or religious identification. Shihab is generally regarded as pro-Muslim and thus is anathema to many Maronite Christians, who form the major opposition group.

The fedayeen problem is unlikely to be a major
issue in the election. The candidates are aware
that they will face the same problem with the feda-
yeen as the incumbent Presidentmaintaining enough
control over the commandos to prevent Lebanon from
becoming another Jordan.

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Maghreb: The sixth meeting of the Maghrebian economic ministers, held in Rabat from 20 to 25 July, failed to reach an agreement on economic collaboration.

The meeting, first scheduled for 1968 and often postponed, was called to endorse a draft charter on economic integration that had been drawn up at the request of the economic ministers at their fifth meeting in 1967 by the Permanent Maghrebian Consultative Committee. This committee, with representatives from Libya, Tunisia, Algeria, and Morocco, was established in the fall of 1964 and has a permanent headquarters and staff in Tunis. Libya, never enthusiastic about Maghrebian cooperation because it suspected its poorer neighbors were eyeing its oil revenues, withdrew from the committee earlier this summer and was not represented at Rabat. Mauritania, however, sent an observer.

Algeria, which also does not share the enthusiasm of Morocco and Tunisia for Maghrebian economic integration, apparently was not ready to endorse some of the draft charter's proposals. These are reported to have included reduction of tariffs, sharing quotas established by individual members with third states, agricultural and industrial cooperation, abolishing restrictions on payments for intra-Maghrebian trade, and the creation of a Maghrebian council.

Algeria, whose priorities lie in its own quick industrial expansion and which is the only one of the three with substantial fuel resources, holds the key to any proposals for regional economic cooperation. The Algerians were reluctant to hold the meeting without Libya but apparently yielded to pressure from the Moroccans, who have been most impatient to move ahead with greater Maghrebian integration.

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The conferees are reported to have reached agreement on a number of unspecified minor matters. King Hassan, attempting to end the conference on a hopeful note, suggested that some problems need time to resolve and seemed to be thinking in terms of a "summit" conference.

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Mexico-Cuba: The Mexicans are outraged by the latest airplane hijacking by asylees and by the expectation that Cuba will snub a request for extradition.

Three Dominicans, who had been granted asylum after being freed in exchange for the release of the US military attaché kidnaped in Santo Domingo last March, hijacked a Mexican plane to Cuba on 25 July. The press in general is demanding extradition of the hijackers, and one widely circulated conservative paper observed the irony of maintaining diplomatic relations with a country "which has demonstrated profound contempt for Mexico"--a reference to Cuba's habitually ignoring Mexican requests for extradition.

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	The
government probably will draw a strong distinguished	
between political asylees and common criminal	

between political asylees and common criminals in the future and is tightening its control over asylees still in the country. It has refused to give asylum to Bolivian guerrillas now in Chile.

Mexico's relations with Cuba are unlikely to be changed by the incident. Mexico indicated its displeasure, however, by refusing to permit a Cuban airliner in Mexico City to take off until the hipacked Mexican plane was returned.

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Argentina: The Ministry of National Defense has confirmed that Argentina will soon buy 14 Mirage jet aircraft from France, according to press reports.

The purchase, which is subject to ratification by President Levingston, reportedly will consist of 12 single-seat Mirage III fighters and two two-seat Mirage III-B trainers. The French planes, which will cost about \$40 million, will replace Gloster Meteors that have been in use for 20 years.

The contract was negotiated more than a year ago by the Ongania government as part of a program to modernize the armed forces primarily with European rather than US equipment.

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Bahamas: A visiting Jamaican professor has called for an active black radical movement in the Bahamas.

Dr. Trevor Munroe cited the need for a revolutionary black power movement throughout the Caribbean in emotion-charged speeches at a United Community (UNICOMM) seminar in Nassau on 24-25 July. UNICOMM is a Bahamian youth organization and fledgling political pressure group that espouses a mixture of black power, idealism, and socialism. Recently UNICOMM has been influenced by militant black power advocates, and its leaders may view the conference as the first step toward a more activist black power program.

According to the US consul, the speech was the most extreme expression of black power ideas to date in the Bahamas. Munroe's major speech called for the expulsion of the economic influence of "white imperialists" and the destruction of governments that manifested the same values and ends as those of imperialist powers. He suggested that success would not come through reform but through "revolution" designed to institute new political forms.

Attempts by a government spokesman to blunt Munroe's attack by pointing out the gains made by the administration's pragmatic and practical approach to problems were met with argumentative and rhetorical questions from the audience.

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NPT: The recently concluded International Atomic Energy Agency (IAEA) safeguards committee meeting has improved the chances that the verification requirements of the Nonproliferation Treaty (NPT) will be implemented, although substantial problems remain.

Earlier this year the IAEA, which will enforce the NPT's safeguards provisions, created a special committee to study the position the IAEA should take in negotiating inspection arrangements with adherents to the treaty who have not yet developed nuclear weapons. The progress made at the recently completed committee session should permit the IAEA to open negotiations with many of the more than 50 countries in this category prior to the deadline of 1 September established by terms of the treaty.

The 48 participants in the safeguards committee sessions reached a consensus on most legal questions relating to the basic rights and obligations of parties to the NPT and had a useful preliminary exchange on detailed safeguards procedures. Particularly notable were the absence of Soviet diatribes against EURATOM and the latter's conciliatory approach to the problem of fashioning an IAEA safeguards agreement that would be equally acceptable to single states and to regional groupings.

Three issues remain, however. NPT holdouts India and France have secured considerable support among the less developed countries for their view that the superpowers should pay the bulk of the cost of the increased inspections anticipated under the NPT. The EURATOM members also have not resolved their differences over their negotiating position with the IAEA, and early agreement on this matter appears unlikely. France insists that it would no longer feel bound by EURATOM's safeguards system if it were made subject to IAEA supervision. A third problem concerns the degree of access to nuclear facilities to be afforded the IAEA inspectors.

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Western Europe: The members of the European Space Conference have decided to establish a unified space organization and to pursue possibilities for space cooperation with the US.

Meeting last week in Brussels, the space ministers of 13 European countries agreed in principle to form a "European NASA" to replace the European Launcher Development Organization (ELDO), the European Space Research Organization (ESRO), and the European Conference on Telecommunications Satellites. As a preliminary step, the ELDO and ESRO councils will be combined under one president. A charter for the new organization will be drawn up by the beginning of 1971.

The space ministers also decided to send a delegation headed by Theo Lefevre, the Belgian science minister, to Washington to discuss European participation in US space programs. In addition, the delegation will try to determine the availability of US launchers for use with European satellites. For the time being, however, the Europeans will push forward with their own launcher development program.

This meeting was a benchmark in the development of a genuine Europe-wide approach to space, but two familiar problems--institutions and money--came up. France reserved its position on the institutional arrangements for the unified space organization. France and Belgium refused to make financial commitments to the research program beyond 1971, and Germany declined to guarantee its contribution to the communications satellite program beyond that date.

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USSR: Three recently published decrees on agriculture offer little that is new or innovative, but illustrate the leadership's current concern for this sector.

The first decree sets higher state purchase prices on milk, meat, wool, and eggs for the avowed purpose of "increasing state and collective farm workers' material interest in increasing production." Most of these prices will be differentiated according to republic and product quality. Retail prices will not be affected, placing the full burden for these increases on the state budget.

Another decree pegs bonuses for farm workers and managers to the fulfillment of production targets. Machinery operators will also be rewarded for proper maintenance of their equipment. Similar premiums have been offered in the past, and the present wage and incentive system is already so complex that these additional measures are likely to add confusion rather than result in increased labor productivity.

The latest decree introduces measures to improve the production and marketing of potatoes, vegetables, and fruit. Beginning in 1971 republic procurement goals for these items will be established for the first time. The decree creates a centralized purchase organ for each marketing zone, a measure long advocated to eliminate the present maze of procurement agencies. It also sets a minimum rate of profitability for vegetables, although it is unclear how this will be implemented. The rest of the decree is largely exhortative, urging the farms to use better seed and more fertilizer and ordering the railroads and civil airlines to provide better service to farms and consumers.

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# NOTES

Korea: The sinking of a North Korean agent boat in the Sea of Japan by South Korean coastal security units on 27 July brings to nine the number of such boats detected this year compared to seven for the same period in 1969. The pattern of North Korean activity so far this year suggests that Pyongyang is continuing its policy, adopted last year, of emphasizing espionage and political subversion rather than armed harassment. There have been a total of 39 instances of North Korean activity this year, 19 along the Demilitarized Zone and 20 in the South Korean hinterland, well below the level of the first seven months of last year.

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Bolivia: Extremist students, along with some workers' groups, plan demonstrations today, despite the Ovando government's increasingly strong effort to counter the plan. In addition to the government's threat to crack down hard on the student demonstrators, several leftist university instructors were exiled to Argentina on 27 July, ostensibly because of their contact with a recently active guerrilla group. The ouster of the teachers has further inflamed the leftist students, who are still smarting from having the main university building taken over by their right-wing fellow students.

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